LIBRARY
SUPREME COURT. U. S.

Office-Supreme Court, U.S.
FILED
MAR 11 1964
JOHN F. DAVIS, CLERK

IN THE

Supreme Court of the United States

October Term, 1963
No. 903

OREGON SAW CHAIN CORP., a corporation,
Petitioner,

vs.

McCULLOCH MOTORS CORPORATION, a corporation,
Respondent.

Petition of Oregon Saw Chain Corp. for Writ of Certiorari to the Court of Appeals for the Ninth Circuit and Brief in Support Thereof.

LEWIS E. LYON,
Attorney for Petitioner.

LYON & LYON,
LEWIS E. LYON,
811 West Seventh Street,
Los Angeles, California 90017,

BUCKHORN, CHEATHAM & BLORE,
ELMER A. BUCKHORN,
Of Counsel.

Parker & Son, Inc., Law Printers, Los Angeles. Phone MA. 6-9171.

SUBJECT INDEX

	Page
Petition for writ of certiorari	1
Summary and short statement of the matter involved	2
Argument	3
Conclusion	12
Appendix	
Cox '636 patent, Claim 4	1
Cox '636 patent, Claim 9	2
Merz 2,632,484 drawings, page 1	3

TABLE OF AUTHORITIES CITED

Cases — Page

A R Inc. v. Electro-Voice, Inc., 311 F. 2d 508 (1962) 10

Cutter Laboratories v. Lyophile-Cryochem Corp., 179 F. 2d 80 (Cir. 9, 1949) 6

D & H Electric Company v. M. Stephens, 233 F. 2d 879 (Cir. 9, 1956) 6

Exhibit Supply Co. v. Ace Patents Corp., 315 U.S. 126 8

Goodyear Dental Vulcanite Company v. Charles G. Davis, 102 U.S. 222 6

Hildreth v. Mastoras, 257 U.S. 27 6

International Shoe Co. v. Federal Trade Commission, 280 U.S. 291 8

Keystone Driller Co. v. Northwest Engineering Corporation, 294 U.S. 42 6

Omark Industries, Inc. v. Sabre Saw Chain, Inc., Civil Action 64-27-W. U. S. D. C., Dist. of Mass. 11

Sartor v. Arkansas Nat. Gas Corp., 321 U.S. 620 (1944) 7

Shepard v. Carrigan, 116 U.S. 593 ..... 6, 8

Texas Co. v. Anderson-Prichard Refining Corp., 122 F. 2d 829 (Cir. 10, 1941) 6

Thabet Mfg. Co. v. Kool Vent Metal Awning Corp., 226 F. 2d 207 (Cir. 6, 1955) 6

Trowler v. Phillips, 260 F. 2d 924 (1958) 9

United States v. Diebold Incorporated, 369 U. S. 654 (1962) 7, 8

Rules	Page
Rules of the Supreme Court of the United States, Rule 38	1
Federal Rules of Civil Procedure, Rule 52	9
Federal Rules of Civil Procedure, Rule 52(a)	9
Federal Rules of Civil Procedure, Rule 56	7, 9
United States District Court for the Southern District of California, Rule 3(d)(2)	9, 10

IN THE

Supreme Court of the United States

October Term, 1964

No. .....

OREGON SAW CHAIN CORP., a corporation,

Petitioner,

vs.

McCULLOCH MOTORS CORPORATION, a corporation,

Respondent.

Petition of Oregon Saw Chain Corp. for Writ of Certiorari to the Court of Appeals for the Ninth Circuit and Brief in Support Thereof.

To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your Petitioner, Oregon Saw Chain Corp., respectfully prays that a writ of certiorari issue to the Court of Appeals for the Ninth Circuit to review a judgment of that Court entered on December 23, 1963.

The opinion of the Court of Appeals for the Ninth Circuit was filed October 9, 1963, and a petition for rehearing which was duly filed was denied by that Court on December 13, 1963.

A certified transcript of the record, including the proceedings in the Court of Appeals, is furnished herewith, pursuant to Rule 38 of the rules of this Court.

Summary and Short Statement of the Matter Involved.

Petitioner, Oregon Saw Chain Corp., a corporation, brought this action against McCulloch Motors Corporation, a corporation, for infringement, among others, of letters patent No. 2,622,636 granted December 23, 1952 upon the application of Joseph B. Cox. McCulloch Motors Corporation, by way of motion for summary judgment, asserted that the structures involved did not infringe the patent. The motion for summary judgment was granted by the District Court on the ground of "file wrapper estoppel." Your Petitioner appealed to the Court of Appeals for the Ninth Circuit, which Court affirmed the holding of the District Court on the premise of file wrapper estoppel.

The basic issues involved are:

(1) Can file wrapper estoppel be read into the proceedings before the Patent Office to limit the claims granted in a patent where it is positively shown that the intent of both the applicant and the Patent Office was to give to the claims a broad and comprehensive interpretation free from such "estoppel" limitation?

(2) Can summary judgment be granted to limit the claims of a patent where the facts upon which the premise is predicated of "estoppel" are in dispute between the parties?

ARGUMENT.

The Cox patent is directed to a chain saw and the claims thereof charged to be infringed are Claims 1 through 10 of said letters patent, which are exemplified by Claims 4 and 10 thereof, here reproduced in the appendix hereto. The Cox patent is primary in character and has received extensive recognition. While the application of the Cox patent was pending in the United States Patent Office, there were declared two interferences with the applications co-pending in the Patent Office of Ackley and Merz, Interference Nos. 85,673 and 85,674. The restriction placed by the lower court upon the claims by the doctrine of "estoppel" is to restrict the claims of the Cox patent to a form of chain saw in which the cutting teeth of the chain saw are L-shaped and *have bottom and side cutting portions which are joined at a sharp corner and are not at such corner rounded, curved or arcuate.* Such limitations were imported into and read into the claims of the Cox patent contrary to the clearly expressed intent of the applicant Cox and of the Patent Office in declaring the aforementioned interferences. Such intent of the applicant is shown clearly in the file wrapper where, in the amendment of October 31, 1951, the applicant Cox stated:

> "Obviously, the toe portion may be arcuately curved but the salient feature is that the toe portion extends inwardly from the side wall cutting portion of the cutter element by an amount at least equal to one-half the width of the kerf." [Tr. V-6, 891.]

The intent that the claims of the Cox patent be of a scope to include such curved or arcuate toe portions is

also evident from the act of the Commissioner of Patents in declaring the aforementioned interferences, particularly with the application co-pending of Merz. The Merz application[1] shows only a cutter which is curved, round and arcuate and does not show or disclose a form of chain saw in which the cutting teeth are L-shaped and have bottom and side wall cutting portions which are joined at a sharp corner. In the declaration of the interferences as above noted, the Commissioner of Patents, acting pursuant to the provisions of rules of the Patent Office, declared such interferences after he had determined that the applications disclosed common patentable subject matter. Rule 201 of the Rules of the United States Patent Office requires:

> "201. Definition, when declared. (a) An interference is a proceeding instituted for the purpose of determining the question of priority of invention between two or more parties claiming substantially the same patentable invention and may be instituted as soon as it is determined that common patentable subject matter is claimed in a plurality of applications or in an application and a patent."

The Cox patent No. 2,622,636 was granted for a chain saw, the new and vital characteristic of which was that it had identical teeth, except for right and left hand configuration, and which teeth combined the side kerf and bottom kerf cutting operations in a single tooth and the bottom cutting portions of the right and left hand teeth extended at least to (Claims 3, 5, 6 and 10)

---

[1]Page of drawings of Merz Patent No. 2,632,484 which was the application of Merz in Interference, appended hereto.

and preferably beyond (Claims 1, 2, 4 and 9) the median line of the kerf formed.

The Cox patent was basic to the art and accounted for the great efficiency of the present day chain saw as a medium for cutting of logs, trees, etc., and for the elimination in the logging industry of the back-breaking kind of manual sawing operations. It was this invention that put the mechanically operated saw chain in business. Before the Cox invention, the saw chain was floundering and had no real success. The art recognized this fact. [Agreement Exhibits, R. 988-1034.]

The Court of Appeals, as does the District Court, recognized the fact that the claims of the Cox patent are not in fact limited to any particular form of cutter teeth.

> "We agree with appellant that at no time does the '636 patent, *by the language of its claims*, urge that the formation of the cutter teeth is in any way 'critical' as to the invention claimed." (Opinion, Ninth Circuit, p. 10.)

Where, then, does the Court find justification for reading into the claims, and each of them, the limitation of a cutter having side and bottom cutting portions joined at a sharp cutting corner. (a) Clearly this is not from the Patent Office proceeding, and (b) therefore must be found in the court's references drawn from disputed facts inferred from the so-called admissions.

In this action it will be obvious that the facts formulating the basis of the decision of the Court of Appeals in this case are in dispute and that under such circumstances, the granting of summary judgment has

deprived your petitioner of its day in court without having the opportunity to be heard fully in the premise.

The decision of the Court of Appeals of the Ninth Circuit, affirming the District Court, on the basis of file wrapper estoppel is clearly in conflict with the decision of this Court in *Hildreth v. Mastoras*, 257 U. S. 27, at 28, 32, 34 and 36. The doctrine of file wrapper estoppel there established is that where there is primary evidence of the construction given a claim by the Patent Office, as by the declaration of interference proceedings, file wrapper estoppel is not applicable to restrict or limit the claims. The interpretation of the claims under such circumstances is to be consistent with that given by the Patent Office:

> "The Patent Office treated the Dickinson invention as a primary or generic one." (257 U. S. 34.)

File wrapper estoppel requires a showing of intent of the Patent Office, acquiesced in by the applicant, that the claims of the patent be specifically limited, as in all rulings of "estoppel" there must be "intent" or failure to act from which intent may be inferred.

Cutter Laboratories v. Lyophile-Cryochem Corp., 179 F. 2d 80, at 87 (Cir. 9, 1949);

Texas Co. v. Anderson-Prichard Refining Corp., 122 F. 2d 829 (Cir. 10, 1941);

Keystone Driller Co. v. Northwest Engineering Corporation, 294 U. S. 42, at 48;

Shepard v. Carrigan, 116 U. S. 593, at 597;

Goodyear Dental Vulcanite Company v. Charles G. Davis, 102 U. S. 222, at 227;

Thabet Mfg. Co. v. Kool Vent Metal Awning Corp., 226 F. 2d 207 (Cir. 6, 1955);

D & H Electric Company v. M. Stephens, 233 F. 2d 879 (Cir. 9, 1956).

Here the Court of Appeals has endeavored to limit the effect of its holding by stating:

> "Further, the court below, in deciding what the claims were, was passing not only on the file wrapper estoppel, but what the file wrapper showed in the light of the admissions made in this litigation, and by the claims of Cox's '784 patent, all as hereinbefore discussed." (Opinion, filed October 9, 1963.)

The District Court and the Court of Appeals in both their decisions relied upon matters of fact, in controversy, and where evidence could not be produced to enable a proper determination of such facts. Obviously the said admissions are subject to different interpretations.

This Court has said that summary judgment does not lie where there are substantial issues, the facts of which are in controversy, or the purported facts are subject to different inferences.

> *Sartor v. Arkansas Nat. Gas Corp.*, 321 U. S. 620 (1944) and *United States v. Diebold Incorporated*, 369 U. S. 654 (1962).

The rule of the *Sartor* case, *supra*, is that under F. R. C. P. 56, summary judgment lies *only* where it is clear what the truth is and that no genuine issue remains for trial.

The rule of the *Diebold* case, *supra*, is that where inferences contrary to those shown by the trial court are possible, a genuine issue as to ultimate fact exists and that a decision on a motion for summary judgment is in error.

A choice of inferences is not only possible in this case, but is inescapable. The District Court and the Appellate Court both had to ignore the positive intent of the applicant Cox and the Commissioner of Patents to read into the claims the limitations found to exist, and to support their decisions upon the basis of so-called admissions which are not relevant, but are also subject to many inferences other than the ones adopted by the said courts. The result of this action by the District Court and the Appellate Court is obvious; it has deprived your petitioner of its "day in court" contrary to our Constitutional guarantees.

The so-called admissions do not deal with the element of file wrapper estoppel, but are used by the Court to justify its reading into the claims limitations not present. These admissions, if they be such, are taken from partial answers to interrogatories or admissions relative to a patent not here in issue and are relied upon to justify the importation into the claims of limitations, contrary to the express intent of the applicant Cox and which intent was accepted by the Commissioner in the declaration of the said Patent Office interferences. Obviously, many inferences may be drawn from such so-called admissions, and only the presentation of full evidence can determine the correct facts. Under such circumstances, summary judgment is improper.

A situation quite analogous to the *Diebold* case is presented here. The lower courts in Diebold sought to apply the rule of *International Shoe Co. v. Federal Trade Commission*, 280 U. S. 291, to facts susceptible to a choice of inferences. In the instant case, the rule of file wrapper estoppel, *Shepard v. Carrigan*, *supra*, *Exhibit Supply Co. v. Ace Patents Corp.*, 315 U. S.

126, was applied to a situation where the facts of infringement were in controversy. That a choice of inferences was possible is quite obvious, since there was an express finding of ambiguity in the patent claims by the Court of Appeals. Clearly this is a situation calling for a ruling by this Court.

It is also important for the Court to review the summary judgment procedure followed in the Southern District of California for inconsistency with Rules 52 and 56 of the Federal Rules of Civil Procedure. Rule 56 provides for summary judgment in situations where there is "no genuine issue as to any material fact and . . . the moving party is entitled to a judgment as a matter of law." Rule 52(a) specifically provides that findings of fact are unnecessary on decisions of motions under Rule 56. Yet local Rule 3(d)(2) of the United States District Court for the Southern District of California requires proposed findings of fact to be served and filed with each motion for summary judgment. This is an apparent inconsistency, and where as here the findings are in dispute, a situation is engendered contrary to the Federal Rules.

The above procedure has created a conflict in summary judgment procedure between the Southern District of California in the Ninth Circuit on the one hand, and all other circuits on the other. The awkwardness of the situation has even been recognized by the Ninth Circuit Court of Appeals in *Trowler v. Phillips*, 260 F. 2d 924 (1958).

In the *Trowler* case, findings of fact and conclusions of law were prepared and signed. The Court reversed the District Court's grant of the motion for summary judgment stating that unnecessary findings are very

often a telltale flag that point the way to the conclusion that summary judgment should not have been granted. The Court had to concede, however, that it was mindful of the District Court's requirements for findings in local Rule 3(d)(2), although it took no action with respect thereto.

The views of the other circuits on this question are as stated by the Seventh Circuit Court of Appeals in *A R Inc. v. Electro-Voice, Inc.*, 311 F. 2d 508 (1962). That decision clearly holds that specific findings of fact are not required in motions for summary judgment. The Seventh Circuit Court goes even further when it states that where no genuine material factual issue is presented, a court is ill advised to make such findings. A procedural conflict is thus squarely presented. Settlement of the question by this Court will be in the best interests of litigants everywhere and will serve further to clarify summary judgment procedure under the Federal Rules.

The decision of the court below in affirming the grant of the motion for summary judgment on the basis of file wrapper estoppel was clearly erroneous as a matter of law. The facts of infringement were involved and complicated. Proper and correct interpretation of the file wrapper would of necessity have required expert testimony to clarify the state of the saw chain art prior to the invention of the patent in issue, thereby to aid the District Court in understanding the true nature of the advance that had been made. The claims would then have been fully understandable to the District Court and a proper adjudication possib

Such an opportunity, however, was denied by the District Court's ruling on the motion for summary judgment. Instead of having the benefit of expert testimony, the District Court had to rely on argumen propounded by counsel. For example, a critical fact on the issue of infringement relied upon by the courts below [R. 388, 389] relates to an alleged difference between respondent McCulloch's saw chain tooth and the tooth shown in the patent. A specific finding of fact was made that McCulloch's cutting tooth consists of three portions and that of the patent, only two. [R. 439.] Yet this finding was not based on any evidence, but only on an excerpt taken out of context from a memorandum submitted by petitioner's attorneys. [R. 288.] A further fact heavily relied upon by the courts below was also taken out of context from objections that were filed by petitioner's attorneys to interrogatories served by respondent. [R. 213.] Of course, neither the excerpt taken from the memorandum nor that taken from the objections was under oath. Such erosion of the basic principles underlying the motion for summary judgment should warrant this Court's grant of certiorari.

Petitioner is raising the identical issue in a case now pending in the First Circuit. *Omark Industries, Inc. v. Sabre Saw Chain, Inc.*, Civil Action No. 64-27-W. United States District Court for the District of Massachusetts.

Conclusion.

It is the conclusion from this record and from the decision of the District Court [R. 388-389] and of the Court of Appeals herein that the ruling of file wrapper estoppel is contrary to this Court's pronouncement of that doctrine. A contrary intent of the applicant Cox and the Patent Office is clearly evident. That intent is not changed by inferences drawn, when many are possible from the so-called admissions. Petitioner has been deprived of its "day in court," and this is clearly shown to be contrary to this Court's ruling and the premise of summary judgment. The evidence is conflicting.

For the foregoing reasons, this petition for a writ of certiorari should be granted.

Respectfully submitted.

LEWIS E. LYON,
Attorney for Petitioner.

March 9, 1964.

APPENDIX A.

Claims 4 and 10 Cox patent No. 2,622,636 of Dec. 23, 1952.

4. A saw chain comprising a plurality of pivotally connected links, a succession of cutting elements, all of the cutting elements of said saw chain being identical to each other except that the successive elements are of alternating right and left configuration respectively, each of the cutting elements of said saw chain being provided on an individual link, each of said cutting elements including a kerf side wall cutting portion and a kerf bottom cutting edge portion extending continuously and laterally inwardly from said side wall cutting edge portion beyond the median plane of said chain.

APPENDIX B.

10. In a saw chain comprising a plurality of alternating right and left cutter links, spacer links pivotally connecting adjacent cutter links, each and every one of the cutter links of the saw chain including a flat body having an integral depth gauge extending outwardly from the forward end thereof, and a single integral cutter tooth spaced from said depth gauge, said cutter tooth consisting of a side wall portion and an outer flange portion, said portions being elongated in the direction of the chain, said side wall portion extending laterally outwardly throughout its length in the direction of the chain parallel to said body beyond the lateral extremity of the remainder of the saw chain, the lateral extent of said side wall portion decreasing progressively from the forward edge to the rear end thereof, all of the cutter links of the saw chain being identical to each other other than being of right and left configuration, said flange portions of alternate cutter teeth extending in opposite directions across the median plane of said chain, the foremost edges of both the said side wall and flange portions being sharpened whereby each cutter tooth is thus adapted for cutting both a kerf side wall portion and a kerf bottom portion of at least one-half the width of the kerf bottom.

March 24, 1953 M. MERZ 2,632,484

CHAIN SAW

Filed Nov. 1, 1946 3 Sheets-Sheet 1

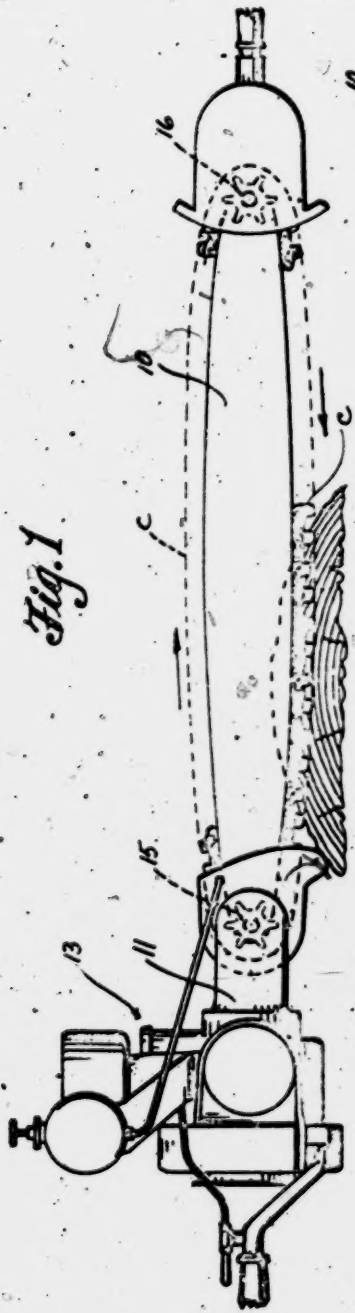

Fig. 1

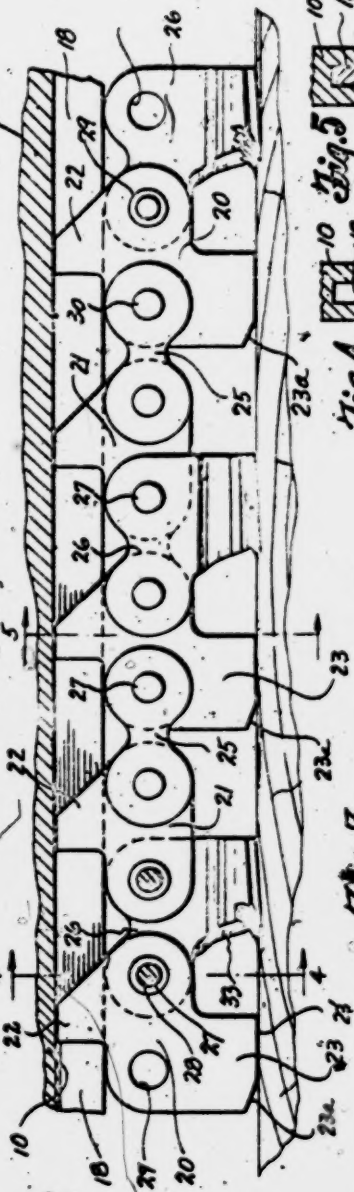

Fig. 2

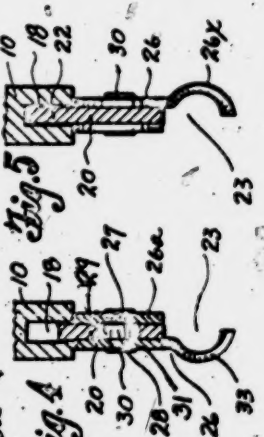

Fig. 5

Fig. 4

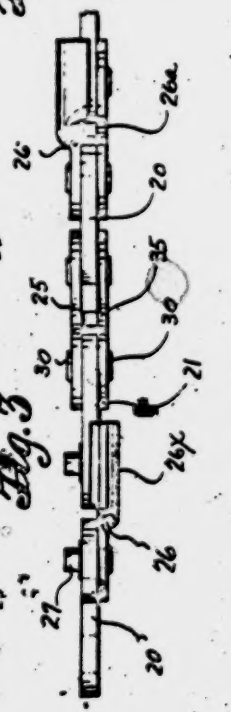

Fig. 3

INVENTOR
MAX MERZ

BY Cook & Robinson
ATTORNEYS